



ANTONIA JIMÉNEZ
Director

PARJACK GHADERI
Acting Chief Deputy

County of Los Angeles
DEPARTMENT OF PUBLIC SOCIAL SERVICES

12860 CROSSROADS PARKWAY SOUTH • CITY OF INDUSTRY, CALIFORNIA 91746
Tel (562) 908-8400 • Fax (562) 695-4801



Board of Supervisors
HILDA L. SOLIS
First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

JANICE HAHN
Fourth District

KATHRYN BARGER
Fifth District

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

December 18, 2018

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

32 December 18, 2018

CELIA ZAVALA
EXECUTIVE OFFICER

Dear Supervisors:

**APPROVE SOLE SOURCE AMENDMENT NUMBER FOUR TO AGREEMENT NUMBER 77217
WITH SAS INSTITUTE INC. FOR DATA MINING SOLUTION
(ALL DISTRICTS - 3 VOTES)**

**CIO RECOMMENDATION: APPROVE (X) APPROVE WITH MODIFICATION ()
DISAPPROVE ()**

SUBJECT

The Department of Public Social Services (DPSS) is seeking Board approval of a sole source Amendment to extend, at no cost, the term of Data Mining Solution (DMS) Agreement Number 77217 with SAS Institute, Inc. (SAS) by an additional six (6) months from December 21, 2018 through June 20, 2019. This Amendment Four is to allow SAS to complete the transition and migration of the current DMS Solution, which supports the detection and prevention of fraud in the CalWORKs Stage 1 Child Care and In-Home Supportive Services (IHSS) programs, from the SAS hosted environments in Cary, North Carolina to Los Angeles County's Internal Services Department (ISD) hosted data centers.

IT IS RECOMMENDED THAT THE BOARD:

Approve and instruct the Chair to sign the enclosed Amendment (Enclosure I) to the DMS Agreement in order to extend the term of the Agreement by an additional six (6) months from December 21, 2018 through June 20, 2019, to complete the transition and migration of the DMS environments from the SAS hosted environments to the County's hosted Data Centers.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The DMS has been in production since May 2011 and is used to detect and prevent fraud in the CalWORKs Stage 1 Child Care and In-Home Supportive Services (IHSS) programs. The DMS is currently hosted by SAS and DPSS elected to migrate the system to County data centers in order to reduce system maintenance costs, upgrade the system software and hardware platform, and implement enhanced system user features.

DPSS initiated the DMS project migration in March 2018 and was targeted for completion in November 2018 to ensure that the project was completed within the Agreement term. However, due to unforeseen technical issues with installation of the DMS hardware and software, the project target completion date was not met. During the same timeframe, the sole source policy was revised causing this request to fall within the purview of the sole source approval requirements. The purpose of this Amendment is to extend the Agreement term by six (6) months from December 21, 2018 to June 20, 2019 in order to allow SAS necessary time to successfully complete the migration of the DMS environments to the County data centers.

Implementation of Strategic Plan Goals

These recommendations are consistent with the principles of the Countywide Strategic Plan: Goal 1: Operational Effectiveness – Maximize the effectiveness of processes, structure and operations to support timely delivery of customer-oriented and efficient public services.

FISCAL IMPACT/FINANCING

The execution of this Amendment is time only with no additional cost and will not impact the current Total Contract Sum allocated for the term of the Agreement.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Amendment Number Four will become effective upon Board approval. All other terms and conditions, including information technology provisions currently included in the Agreement, will continue to apply to the Agreement.

DPSS' plan and expectation was that the DMS migration would be completed within the Agreement term and would not require an Amendment. The unforeseen technical problems the Department faced now requires DPSS to request sole source approval of this Amendment to comply with the recent revisions to the sole source Board policy.

This Amendment was reviewed and approved as to form by County Counsel. The Chief Information Office (CIO) has reviewed this Board letter and recommends approval. The CIO has determined that because this recommended action does not include any new technology-related matters, no formal CIO analysis is required. The CIO completed formal analyses for the original Agreement that was approved by the Board on December 22, 2009 and the subsequent Board approved Amendments to the Agreement.

CONTRACTING PROCESS

SAS submitted in the winning proposal in response to DPSS' Request for Proposals (RFP) for a data mining technology system released on July 8, 2009. On December 22, 2009, the Board awarded SAS the contract for the development, implementation, maintenance, and support of the DMS technology to detect and prevent fraudulent activities among individuals and groups participating in the County's CalWORKs Stage 1 Child Care Program. The Agreement was awarded for a period of two (2) years, with up to two (2) additional option years. The DMS system was implemented for the CalWORKs Stage 1 Child Care Program on May 9, 2011. Prior Amendments One, Two and Three were previously approved by the Board for additional scope changes through the years.

Upon approval of this Amendment Four by the Board, DPSS will continue to work collaboratively with SAS to complete the transition and migration of the DMS environment from the SAS hosted environments to County's hosted Data Center which will be completed by June 20, 2019.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The approval of the requested action will allow the Department to continue with the delivery of services and will support the transition and migration of the environments that detect and prevent fraudulent activities among individuals and groups participating in the County's CalWORKs Stage 1 Child Care and In-Home Supportive Services Programs.

CONCLUSION

Upon the Board's approval, the Executive Officer, Board of Supervisors is requested to return two (2) original signed copies of the Amendment and one adopted stamped Board letter to the Director of DPSS.

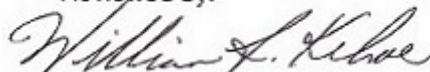
Respectfully submitted,



ANTONIA JIMENEZ

Director

Reviewed by:



WILLIAM KEHOE

Chief Information Officer

AJ:CN:af

Enclosures

c: Chief Executive Office
Executive Office, Board of Supervisors
County Counsel
Auditor-Controller
Chief Information Office

AMENDMENT NUMBER FOUR
TO
AGREEMENT
BETWEEN
COUNTY OF LOS ANGELES
AND
SAS INSTITUTE INC.
FOR
DATA MINING SOLUTION (DMS)

This Amendment Number Four is entered into this 18th day of December, 2018 by and between the County of Los Angeles, a body corporate and politic (hereinafter "County"), and SAS Institute Inc., a North Carolina corporation (hereinafter "Contractor"), and amends that certain Agreement Number 77217 for Data Mining Solution (DMS) for Child Care Fraud Detection, dated as of December 22, 2009, as modified by all Amendments and Change Notices thereto, including without limitation by this Amendment Number Four (hereinafter "Agreement").

WHEREAS, County and Contractor have entered into the Agreement for the design, development, implementation and maintenance of the Data Mining Solution for the Project (hereinafter "DMS"); and

WHEREAS, County has requested, and Contractor has agreed, to transition and migrate the current DMS Solution for detecting and preventing fraud in the CalWORKs Stage 1 Child Care and In- Home Supportive Services (IHSS) Programs from the SAS hosted environments from Cary, North Carolina to Los Angeles County's Internal Services Department (ISD) hosted Data Centers.

WHEREAS, the parties also desire to amend the Agreement to extend the DMS Agreement at no cost by six (6) months to the new Extended Term and change the Term of the Agreement to end on June 20, 2019.

NOW THEREFORE, in consideration of the foregoing and pursuant to Paragraph 4 (Change Notices and Amendments) of the Base Agreement, County and Contractor hereby agree to amend the Agreement as follows:

1. The Agreement is hereby incorporated by reference, and all of its terms and conditions, including capitalized terms defined therein, shall be given full force and effect as if fully set forth herein.
2. The maximum term of the Agreement is extended by six (6) months by deleting Paragraph 7.2 (Extended Term) of the Base Agreement in its entirety and replacing it with the revised Paragraph 7.2 (Extended Term), amended to read as follows:

"7.2 EXTENDED TERM

At the end of the Initial Term, County may, at its sole option, extend this Agreement for up to seven (7) additional consecutive one (1) year terms, and additional six (6) months, (hereinafter "Extended Term"); provided that if County elects not to exercise its option to extend at the end of the Initial Term, or the Extended Term, the remaining option(s) shall automatically lapse. County shall be deemed to have exercised its extension option(s) automatically, without further act, unless, no later than thirty (30) days prior to the expiration of the Initial Term or the Extended Term,

as applicable, County notified Contractor in writing that it elects not to extend the Agreement pursuant to this Paragraph 7.2."

4. Except as provided in this Amendment Number Four, all other terms and conditions of the Agreement shall remain unchanged and in full force in effect.
5. This Amendment Number Four shall be effective on the date of approval by County's Board of Supervisors.

/

/

/

IN WITNESS WHEREOF, Contractor has executed this Amendment Number Four, or caused it to be duly executed, and the County of Los Angeles, by order of its Board of Supervisors, has caused this Amendment to be executed the day, month and year first above written.

COUNTY OF LOS ANGELES

By Jenice Hahn
Chair, Board of Supervisors

CONTRACTOR: SAS INSTITUTE, INC.

By [Signature]
Signature



Victoria Clayton
Director
Licensing Operations
SAS Institute Inc.

Title

ATTEST:

CELIA ZAVALA
Executive Officer, Board of Supervisors

By [Signature]
Deputy

I hereby certify that pursuant to
Section 25103 of the Government Code,
delivery of this document has been made

CELIA ZAVALA
Executive Officer
Clerk of the Board of Supervisors

By [Signature]
Deputy

APPROVED AS TO FORM:

MARY WICKHAM
County Counsel

By [Signature]

TRUC MOORE
Principal Deputy County Counsel

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

32

DEC 18 2018

[Signature]
CELIA ZAVALA
EXECUTIVE OFFICER

77217
Supplement No. 4

SOLE SOURCE CHECKLIST

Department Name: Public Social Services

☐ New Sole Source Contract

☐ Existing Sole Source Contract Date Sole Source Contract Approved: _____

Check (✓)	JUSTIFICATION FOR SOLE SOURCE CONTRACTS Identify applicable justification and provide documentation for each checked item.
<input type="checkbox"/>	➤ Only one bona fide source (monopoly) for the service exists; performance and price competition are not available. A monopoly is an <i>"Exclusive control of the supply of any service in a given market. If more than one source in a given market exists, a monopoly does not exist."</i>
<input type="checkbox"/>	➤ Compliance with applicable statutory and/or regulatory provisions.
<input type="checkbox"/>	➤ Compliance with State and/or federal programmatic requirements.
<input type="checkbox"/>	➤ Services provided by other public or County-related entities.
<input type="checkbox"/>	➤ Services are needed to address an emergent or related time-sensitive need.
<input type="checkbox"/>	➤ The service provider(s) is required under the provisions of a grant or regulatory requirement.
<input checked="" type="checkbox"/>	➤ Additional services are needed to complete an ongoing task and it would be prohibitively costly in time and money to seek a new service provider.
<input type="checkbox"/>	➤ Services are needed during the time period required to complete a solicitation for replacement services; provided services are needed for no more than 12 months from the expiration of an existing contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance and support services are needed for an existing solution/system during the time to complete a solicitation for a new replacement solution/ system; provided the services are needed for no more than 24 months from the expiration of an existing maintenance and support contract which has no available option periods.
<input type="checkbox"/>	➤ Maintenance service agreements exist on equipment which must be serviced by the original equipment manufacturer or an authorized service representative.
<input type="checkbox"/>	➤ It is more cost-effective to obtain services by exercising an option under an existing contract.
<input type="checkbox"/>	➤ It is in the best economic interest of the County (e.g., significant costs to replace an existing system or infrastructure, administrative cost savings and excessive learning curve for a new service provider, etc.) In such cases, departments must demonstrate due diligence in qualifying the cost-savings or cost-avoidance associated with the best economic interest of the County.

Chief Executive Office

Date